



Victoria Daly
REGIONAL COUNCIL

AGENDA

**AUDIT AND RISK COMMITTEE MEETING
TO BE HELD ON TUESDAY 8 NOVEMBER 2022
AT 9:00 AM
AT THE REGIONAL OFFICE - KATHERINE
29 CRAWFORD STREET, KATHERINE EAST NT 0850**

MEMBERS

Mr John De Koning (Chairperson)
Ms Maxine Bright
Deputy Mayor Andrew McTaggart
Councillor Yvette Williams
Councillor Georgina Macleod

Chief Executive Officer

Russell Anderson



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A handwritten signature in black ink that reads "Russell Anderson". The signature is written in a cursive style with a large initial 'R'.

Russell Anderson
Chief Executive Officer



AUDIT & RISK MANAGEMENT COMMITTEE

Role and Responsibilities

Regulation 3 requires Council to create and maintain an audit committee to monitor compliance with proper standards of financial management, the regulations and the Accounting Standards.

The Committee has an advisory role. The Committee is unable to make decisions and does not possess executive powers or associated responsibilities (s55 the Act and the General Instruction). Although Council maintains control and direction of the Committee (s56 the Act), the Committee may determine its own procedures (s57 the Act).

The responsibilities of the Committee are detailed below.

External Reporting

- Consider the currency of adopted accounting policies, principles and procedures to ensure compliance with the financial reporting framework and legislative requirements
- Assess significant estimates and judgements in financial reports and the process used in making those estimates and judgements. Evaluate internal and external auditors the basis for their conclusions on the reasonableness of management's estimates
- Assess management explanations for unusual transactions or significant variances from the results of prior years or in the budget of the current year
- Review management processes for ensuring and monitoring legislative compliance relating to the external reporting of financial and non-financial information
- Assess information from internal and external auditors involving the quality of financial reports including but not limited to actual and potential material audit adjustments, disclosures, statutory compliance and internal control issues
- Liaise with external auditors to determine the validity of the implemented accounting principles and practices, including those proposed for consideration
- Assess the management of non-financial documentation, including both public and internal, to ensure the information does not conflict with the financial statements or other documents
- Consider the security of information internal control systems

Related-Party Transactions

- Review and monitor the propriety of related-party transactions

Corporate Governance

- Assist the Council to ensure appropriate corporate governance is in place
- Review policies relating to conflicts of interest, misconduct and fraud
- Provide oversight and monitoring of the fraud protection plan



- Review and endorse the code of conduct
- Oversee instances of whistleblowing and employee complaints

Internal Control and Risk Management

- Evaluate internal processes for determining and managing key risk areas, including but not limited to:
 - Legislative obligations including industry best practice
 - Accounting estimates and judgements
 - Litigation and claims
 - Fraud and theft
 - Arising business risks
 - Protection of assets
- Consider the risk assessments undertaken to ensure effective risk management systems are in place including regular reporting to Council
- Obtain and assess management reports on any suspected or actual fraud, theft or breaches of laws, and make recommendations
- Assess the effectiveness of the internal control, risk management and performance management systems with management and all audit providers
- Identify areas where change is required to reduce the risk of exposure to fraud or unauthorized transactions
- Measure controls to manage actual or perceived unusual types of transactions posing a determined unacceptable degree of risk
- Meet periodically with key management, internal and external auditors and compliance staff to understand and discuss the control environment
- Review the adequacy of periodical internal financial reports
- Review operational compliance with internal policies, plans and procedures
- Review the statutory delegations of staff members

External Audit

- Invite the external auditor to attend a meeting of the Committee to review the audit plan, discuss audit results, consider the implications of the findings and discuss control issues
- With the external audit provider, review the scope of the provider, the extent of the audit itself and the identified risk areas, in addition to additional procedures agreed upon
- Ascertain if there have been any significant disagreements with management irrespective of outcome
- Monitor and critique management responsiveness to the findings and recommendations of the external auditor
- Review all correspondence sent by management to ensure the information provided is complete and appropriate
- Provide the opportunity for the Committee to meet annually with the external audit providers without the presence of management
- Review the independence of the external auditor to ensure impartiality
- In order to maintain innovation, remind Council on the rotation of the external audit provider at intervals of approximately each five years or as the need may arise



Internal Audit

- Make recommendations to Council on the appointment, remuneration and monitoring of the effectiveness and independence of internal audit processes
- Ensure sufficient funds are available to enable the completion of an effective, comprehensive and complete audit
- Communicate in writing the expectation of the Committee to the internal auditor
- Review the charter and resourcing, including qualifications, skills, experience, funding and equipment of the internal auditor
- Review and approve the scope, strategic plan and annual work program of the internal auditor
- Monitor the progress of the internal audit plan and work program whilst considering the implications of the findings on the control environment
- Monitor and assess the responsiveness of management to internal audit findings and recommendations
- Evaluate the process in place for monitoring and assessing the effectiveness of internal audit systems
- Ensure the internal and external audit programs are appropriately coordinated to achieve optimal efficiency and effectiveness whilst avoiding duplication
- Provide the opportunity for the Committee to meet annually with internal audit providers without the presence of management



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